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SUBJECT: PRC TAIWAN EXPERT COMMENTS ON MA'S U.S. TRANSITS,

NEW UN STRATEGY

Classified By: Political Minister Counselor Aubrey Carlson. Reasons 1. 4 (b) and (d).

Summary

11. (C) A senior Beijing-based Taiwan expert told us August 20 that the PRC appreciates Taiwan President Ma Ying-jeou's recent "extremely low-key" transits of the United States and his "no surprises" approach to managing cross-Strait and U.S.-Taiwan relations. China welcomes the shift in Taiwan's UN approach from pursuing full UN membership to seeking participation in UN specialized agencies. The expert acknowledged that Taiwan's participation in the World Health Organization (WHO) is still "extremely sensitive," but he expects the PRC will allow Taiwan observer status in the World Health Assembly under an appropriate name as well as greater participation in the "activities" of the WHO. He commented that the PRC is observing a diplomatic truce, but admitted the issue is divisive in Chinese policymaking circles. The expert noted that Chinese President Hu Jintao's "concessionary and yielding" approach to the Taiwan issue may influence the PRC's approach to Taiwan's desire for increased international space. End Summary.

Ma Transit "Extremely Low Key"

- 12. (C) In an August 20 meeting with PolOff, Zhou Zhihuai (protect), who recently left his post as Vice President of the Chinese Academy of Social Sciences' Institute of Taiwan Studies to become Secretary General of the Taiwan Studies Association, described Taiwan President Ma Ying-jeou's August 13 and 17 transits of the United States as "extremely low key." He commented that the PRC, United States and Taiwan all "managed" the transits extremely well. He noted that before the transit, there was concern in Beijing that Ma would give a major speech, host a large banquet or meet with senior U.S. officials, but none of those fears were realized.
- 13. (C) Zhou said that the Mainland appreciates Ma's approach to managing cross-Strait and U.S.-Taiwan relations. The PRC welcomes Ma's so-called "no surprises" policy, he said. Zhou pointed out that he personally knows Ma's National Security advisor Su Chi, whom he described as "very moderate" and realistic about what is possible in terms of Taiwan's international space. Ma's approach and emphasis during his U.S. transits were very different from former President Chen Shui-bian's, Zhou said. He predicted that Ma will continue to avoid "excessive" behavior on such overseas trips.

- 14. (C) Zhou commented that the PRC welcomes Taiwan's decision to seek meaningful participation in the activities of the UN specialized agencies rather than push for full membership in the UN (ref A) as Taiwan has attempted for the past 16 years. Zhou said the decision to not seek membership this year reaffirms Ma's interest in exploring what is possible and also indicates Taiwan's desire to participate in the WHO. Zhou pointed out that "participation in activities" echoes the language of the 2005 agreement between President Hu Jintao and Honorary KMT Chairman Lien Chan reiterated during the late-May meeting between ${\tt Hu}$ and ${\tt KMT}$ Chairman ${\tt Wu}$ Poh-hsiung. Zhou noted that even if Taiwan had again pushed for UN membership, it would not have been a "big deal" because it is "not possible" for Taiwan to join the UN. assessed that Taiwan's failed referenda on March 22 allowed Ma to shift Taiwan's UN policy, a shift that reflects Ma's desire to build trust with the Mainland.
- 15. (C) Zhou said that the question of Taiwan's international space is still "extremely sensitive" (ref B) and therefore he did not know what the PRC will ultimately allow regarding Taiwan's participation in the WHO. He speculated, however, that it will be more than what was offered during Chen Shui-bian's presidency but less than full membership. He expected that by May 2009, Taiwan will be allowed observer status in the World Health Assembly under the name "Chinese Taipei" or some other suitable name and will be allowed greater participation in the activities of the WHO. He

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expressed concern that Ma might not be satisfied with the PRC offer, because Taiwan was already invited to participate in WHO activities when Chen was President. Noting that full WHO membership for Taiwan is impossible because all members are sovereign states, Zhou said that Associate Membership would be possible, but that would require the PRC to sponsor Taiwan and would involve an explicit acknowledgement that the PRC controls Taiwan's foreign affairs. (Note: WHO regulations state that territories that are not responsible for the conduct of their international relations may be admitted as Associate Members upon application made on their behalf by the Member or authority responsible for their international relations.) Zhou remarked that Taiwan could not accept such terms. Whatever arrangement is made, the PRC is concerned that Taiwan's WHO participation not be a precedent for Taiwan's participation in other UN-affiliated international organizations, Zhou asserted. Zhou recommended tht Ma not be "too rgent" on Taiwan's WHO partcipation.

Diplomatic Truce Being Observed

- 16. (C) Zhou stated that the PRC is currently observing the diplomatic truce proposed by Ma, adding that he does not know how long it will hold. He said that the PRC has essentially observed the truce since it established relations with Malawi in January, even though other countries have wanted to switch recognition to Beijing since then. He noted that Ma's visit to Paraguay was very important to shore up Taiwan's longstanding ties to that country. Though Zhou said he personally supports continuing the truce and believes both sides should consolidate their relations with their existing diplomatic allies, he admitted that this is still an issue for discussion within the Chinese Government.
- ¶7. (C) Zhou described three political fault lines in the Chinese Government's internal debate over the "diplomatic truce." The first is an institutional dispute between the Ministry of Foreign Affairs, which wants to score more diplomatic allies, and the Taiwan Affairs Office (TAO), which wants to avoid inflaming public opinion in Taiwan by orchestrating humiliating diplomatic defections. The second division is along age lines, with older cadres wanting to

keep the diplomatic battle going and younger ones less inclined to fight for the last few small states. Lastly, a difference of opinion exists between scholars who are in favor of the truce and some older government officials, who tend to be more cautious, Zhou said.

Hu Jintao Has Been Compromising and Yielding

- 18. (C) Zhou commented that Chinese President Hu Jintao has been very compromising and yielding (tuoxie and rangbu) on the Taiwan issue and said that posture may continue with regard to Taiwan's international space. He said Hu's conciliatory attitude has permeated China's approach to Taiwan since the March election in Taiwan and has been reciprocated by Ma. He noted, for example, that China is not insisting that the '92 Consensus is founded on the "one China principle" and Ma is no longer pushing for "respective interpretations." The Mainland has also adopted the formulation of the "Chinese nation" (zhonghua minzu) as opposed to "one China." (Note: Both Mainland and Taiwan English language media use "Chinese nation" as a translation for "zhonghua minzu," but the official translation of Ma's inaugural address used the term "Chinese heritage." Minzu can also be translated as people, nationality or ethnic community.) The PRC also agreed to Ma's proposed dates for opening weekend charter flights and Mainland tourism, although many took umbrage at the fact that Ma publicly dictated the terms without consulting with the Mainland (ref
- 19. (C) Zhou said that there was a negative internal reaction to TAO spokesman Yang Yi's statement on July 11 that the use of the term "China Taipei" (Zhongguo Taibei) in association with the Olympics was not meant to "belittle Taiwan." Many scholars argued that the term "Chinese Taipei" (Zhonghua Taibei) is a matter of agreement between the two sides and should be used uniformly, not just at Olympic venues. Subsequently, Yang Yi offered a retraction and Chinese media has been issued guidance on the proper nomenclature, Zhou said. RANDT